

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1480

Citations Affected: IC 4; IC 6; IC 9-18; IC 21-3.

Synopsis: Taxation. Makes various changes concerning the gross income tax, the sales and use tax, the adjusted gross income tax, federal tax refunds for Indiana income taxes owed, ordinances regarding local taxes, Roth IRAs, and educational IRAs. Provides that oil inspection fees collected by licensed gasoline distributors are not gross income. Removes vehicle identification information from the income tax return. Provides that the state welfare allocations calculated as part of the financial institutions tax distributions and the motor vehicle excise tax distributions are based on amounts levied by counties for the county welfare fund and the county welfare administration fund, rather than the amounts appropriated from those funds. Repeals the investment income tax credit. Corrects internal references. Provides that the director of the budget agency is not required to approve a contract for public works if the estimated cost of the contract is less than \$100,000. Deletes the requirement for approval of certain state agency contracts by the head of the agency and the governor. Establishes the governor's commission on minority and women's business enterprises. Sets forth the membership of the commission. Requires the department of administration to adopt administrative rules to ensure that certain goals established by the commission are met. Makes conforming amendments. Repeals the requirement that the governor or the governor's designee approve state contracts for the acquisition of real property. Provides a state income tax credit for the net property taxes paid by a taxpayer in a taxable year on business personal property with an assessed value equal to the lesser of: (1) the assessed value of the person's business personal property; or (2) an assessed value of \$37,500. Provides that the credit applies to taxable years beginning after December 31, 2001. Specifies that a taxpayer is entitled to only one credit per county. (This conference committee report does the following: (1) Provides that the director of the budget agency is not required to approve a contract for public works if the estimated cost of the contract is less than \$100,000. (2) Deletes the requirement for approval of certain state agency contracts by the head of the agency and the governor. (3) Establishes the governor's commission on minority and women's business enterprises. (4) Sets forth the membership of the commission. Requires the department of administration to adopt administrative rules to ensure that certain goals established by the commission are met. (5) Makes conforming amendments. (6) Repeals the requirement that

the governor or the governor's designee approve state contracts for the acquisition of real property. (7) Removes provisions concerning: (a) a phase out of the inventory tax; (b) authorization for the counties to increase county economic development income tax rates for the purpose of providing additional homestead credits; (c) the simplified sales and use tax administration act; (d) sales tax increment financing in South Bend, Fort Wayne, and Evansville; (e) property tax abatement for a taxpayer in Mooresville; and (f) an allocation area in Hammond. (8) Adds the provisions concerning a state income tax credit for persona property taxes paid..)

Effective: January 1, 1999 (retroactive); January 1, 2001; Upon passage; July 1, 2001; January 1, 2002.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1480 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Page 5, delete lines 23 through 42, begin a new paragraph and insert:
- 2 "SECTION 7. IC 4-13-2-14.1 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 14.1. (a) A contract to
- 4 which a state agency is a party must be approved by the following
- 5 persons:
- 6 ~~(1) The head of the agency:~~
- 7 ~~(2) (1)~~ The commissioner of the Indiana department of
- 8 administration.
- 9 ~~(3) (2)~~ The director of the budget agency. The director of the
- 10 budget agency is not required to approve a contract:
- 11 (A) for supplies under IC 5-22, unless the budget agency is
- 12 required to approve the contract under rules or written policies
- 13 adopted under IC 5-22; or
- 14 (B) for public works under IC 4-13.6, if the estimated cost of the
- 15 contract is less than ~~twenty-five~~ **one hundred** thousand dollars
- 16 ~~(\$25,000): (\$100,000).~~
- 17 ~~(4) (3)~~ The attorney general, as required by section 14.3 of this
- 18 chapter.
- 19 ~~(5) The governor, if the contract involves:~~

(A) the sale, purchase, or lease of real property; or
 (B) a public works project with an estimated cost of one hundred thousand dollars (\$100,000) or more.

(b) Each of the persons listed in subsection (a) may delegate to another person the responsibility to approve contracts under this section. The delegation must be in writing and must be filed with the Indiana department of administration.

(c) The Indiana department of administration may adopt rules under IC 4-22-2 to provide for electronic approval of contracts. Rules adopted under this subsection must provide for the following:

(1) Security to prevent unauthorized access to the approval process.

(2) The ability to convert electronic approvals into a medium allowing persons inspecting or copying contract records to know when approval has been given.

The rules adopted under this subsection may include any other provisions the department considers necessary.

(d) The Indiana department of administration shall maintain a file of information concerning contracts and leases to which a state agency is a party.

SECTION 8. IC 4-13-16.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 1. As used in this chapter:

"Commission" refers to the governor's commission on minority **and women's business development enterprises** established under section 2 of this chapter.

"Commissioner" refers to the deputy commissioner for minority **and women's business development enterprises** of the department. ~~of administration.~~

"Contract" means any contract awarded by a state agency for construction projects or the procurement of goods or services, including professional services.

"Department" refers to the Indiana department of administration established by IC 4-13-1-2.

"Minority business enterprise" or "minority business" means an individual, partnership, corporation, limited liability company, or joint venture of any kind that is owned and controlled by one (1) or more persons who are:

- (1) United States citizens; and
- (2) members of a ~~racial~~ minority group.

"Owned and controlled" means having:

- (1) ownership of at least fifty-one percent (51%) of the enterprise, including corporate stock of a corporation;
- (2) control over the management and active in the day-to-day operations of the business; and
- (3) an interest in the capital, assets, and profits and losses of the business proportionate to the percentage of ownership.

~~"Racial"~~ "Minority group" means:

- (1) Blacks;
- (2) American Indians;
- (3) Hispanics;

(4) Asian Americans; and

(5) other similar ~~racial~~ minority groups, **as defined by 13 CFR 124.103.**

"State agency" refers to **any of the following:**

(1) An authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government.

(2) **An entity established by the general assembly as a body corporate and politic.**

(3) **A state educational institution.**

The term does not include the state lottery commission or the Indiana gaming commission with respect to setting and enforcing goals for awarding contracts to minority and women's business enterprises.

SECTION 9. IC 4-13-16.5-1.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 1.1. A reference to a federal statute or regulation in this chapter is a reference to the statute or regulation as in effect January 1, 2001.**

SECTION 10. IC 4-13-16.5-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 1.3. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:**

(1) **A sole proprietorship owned and controlled by a woman.**

(2) **A partnership or joint venture owned and controlled by women in which:**

(A) **at least fifty-one percent (51%) of the ownership is held by women; and**

(B) **the management and daily business operations of which are controlled by at least one (1) of the women who owns the business.**

(3) **A corporation or other entity:**

(A) **whose management and daily business operations are controlled by at least one (1) of the women who owns the business; and**

(B) **that is at least fifty-one percent (51%) owned by women, or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) of the women.**

SECTION 11. IC 4-13-16.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 2. (a) There is established a ~~fourteen (14) member~~ governor's commission on minority and women's business development enterprises.** The commission shall consist of the following members:

(1) **A governor's designee, who shall serve as chairman of the commission.**

(2) **The commissioner of the Indiana department of transportation.**

(3) **The director of the department of commerce.**

(4) **The commissioner of the ~~Indiana~~ department of ~~administration~~.**

(5) **~~Six (6)~~ Nine (9) individuals with demonstrated capabilities in business and industry, especially ~~racial~~ minority and women's**

business **enterprises**, appointed by the governor from the following geographical areas of the state:

(A) ~~Two (2)~~ **Three (3)** from the northern one-third (1/3) of the state. **Two (2) of the members appointed under this clause must represent minorities and one (1) of the members appointed under this clause must represent women.**

(B) ~~Two (2)~~ **Three (3)** from the central one-third (1/3) of the state. **Two (2) of the members appointed under this clause must represent minorities and one (1) of the members appointed under this clause must represent women.**

(C) ~~Two (2)~~ **Three (3)** from the southern one-third (1/3) of the state. **Two (2) of the members appointed under this clause must represent minorities and one (1) of the members appointed under this clause must represent women.**

(6) Two (2) members of the house of representatives, no more than one (1) from the same political party, appointed by the speaker of the house of representatives to serve in a nonvoting advisory capacity.

(7) Two (2) members of the senate, no more than one (1) from the same political party, appointed by the president pro tempore of the senate to serve in a nonvoting advisory capacity.

~~No Not more than four (4) of the seven (7)~~ **six (6)** members appointed or designated by the governor may be of the same political party. Appointed members of the commission shall serve four (4) year terms. A vacancy occurs if a legislative member leaves office for any reason. Any vacancy on the commission shall be filled in the same manner as the original appointment.

(b) Each member of the commission who is not a state employee is entitled to the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties as provided under IC 4-13-1-4 and in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(c) Each legislative member of the commission is entitled to receive the same per diem, mileage, and travel allowances established by the legislative council and paid to members of the general assembly serving on interim study committees. The allowances specified in this subsection shall be paid by the legislative services agency from the amounts appropriated for that purpose.

(d) A member of the commission who is a state employee but who is not a member of the general assembly is not entitled to any of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for traveling expenses as provided under IC 4-13-1-4.

(3) Other expenses actually incurred in connection with the member's duties.

(e) The commission shall meet at least four (4) times each year and at other times as the chairman deems necessary.

(f) The duties of the commission shall include but not be limited to the following:

(1) Identify minority ~~businesses and women's business enterprises~~ in the state.

(2) Assess the needs of minority ~~businesses and women's business enterprises~~.

(3) Initiate aggressive programs to assist minority ~~businesses and women's business enterprises~~ in obtaining state contracts.

(4) Give special publicity to procurement, bidding, and qualifying procedures.

(5) Include minority ~~businesses and women's business enterprises~~ on solicitation mailing lists.

(6) Define the duties, goals, and objectives of the deputy commissioner of the department of ~~administration~~ as created under this chapter to assure compliance by all state agencies with state and federal legislation and policy concerning the awarding of contracts to minority ~~businesses and women's business enterprises~~.

(7) Establish as a goal that at least five percent (5%) of state contracts be let to racial minority businesses: annual goals:

(A) for the use of minority and women's business enterprises; and

(B) derived from a statistical analysis of utilization study of state contracts that are required to be updated every five (5) years.

(8) Prepare a review of the commission and the various affected departments of government to be submitted to the governor and the legislative council on March 1 and October 1 of each year, evaluating progress made in the areas defined in this subsection.

(g) The department shall develop size standards based on 13 CFR 121.

(h) The department shall adopt rules of ethics under IC 4-22-2 for commission members other than commission members appointed under subsection (a)(6) or (a)(7).

(i) The department of ~~administration~~ shall furnish administrative support and staff as is necessary for the effective operation of the commission.

SECTION 12. IC 4-13-16.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. (a) There is created in the ~~Indiana~~ department of ~~administration~~ a deputy commissioner for minority ~~and women's business enterprise~~ development. Upon consultation with the commission, the commissioner of the ~~Indiana~~ department, of ~~administration~~ with the approval of the governor, shall appoint an individual who possesses demonstrated capability in business or industry, especially in racial minority ~~or women's business enterprises~~, to serve as deputy commissioner to work with the commission in the implementation of this chapter.

(b) The ~~deputy~~ commissioner shall do the following:

(1) Identify and certify minority ~~and women's business enterprises~~ for state projects.

(2) Establish a central certification file.

(3) Periodically update the certification status of each minority **or women's** business enterprise.

(4) Monitor the progress in achieving the ~~goal~~ **goals** established under section 2(f)(7) of this chapter.

(5) Require state agencies to report on planned and actual participation of minority **and women's** business enterprises in contracts awarded by state agencies. The commissioner may exclude from the reports uncertified minority **and women's** business enterprises.

(6) Determine and define opportunities for minority **and women's** business participation in contracts awarded by state agencies.

(7) Implement programs initiated by the commission under section 2 of this chapter.

(8) Perform other duties as defined by the commission or by the commissioner of the ~~Indiana~~ department. ~~of administration.~~

SECTION 13. IC 4-13-16.5-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 4. (a) Before January 1 of even-numbered years, the department shall determine whether, during the most recently completed two (2) year period ending the previous July 1, the goals set under section 2(f)(7) of this chapter have been met.**

(b) The department shall adopt rules under IC 4-22-2 to ensure that the goals set under section 2(f)(7) of this chapter are met. The rules adopted by the department must provide that if a business qualifies as both a minority business enterprise and a women's business enterprise, a contract awarded to the business is considered awarded to a minority business enterprise.

SECTION 14. IC 4-13.5-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: **Sec. 8. (a)** The commission may employ architects, engineers, space planners, construction managers, and other professional persons it considers necessary to prepare complete plans and specifications necessary for bidding for construction. The commission shall consider economy of operation to the extent practicable in preparing and approving plans and specifications.

(b) The plans and specifications shall be presented for approval to:

(1) the department;

(2) if the facility is designed to house the supreme court or court of appeals, the administrator of the supreme court for approval by the courts; and

(3) if the facility is a correctional facility, the department of correction.

(c) After the plans and specifications have been approved by the commission under subsection (b), the commission shall advertise for and receive construction bids and award contracts to the best bidders in the same manner as required by law for the department.

(d) With regard to participation by minority and women's business enterprises (as defined in IC 4-13-16.5-1 and IC 4-13-16.5-1.3), the commission shall act in the same manner as required by law for the department.

SECTION 15. IC 4-30-1-2 IS AMENDED TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2001]: Sec. 2. In construing this article it is the intent of the general assembly that the following policies be carried out:

(1) That the lottery games be operated by the state lottery commission, which is created by IC 4-30-3 as a separate body politic and corporate from state government and should function as much as possible as an entrepreneurial business enterprise.

(2) That the general assembly recognizes that the operation of a lottery is a unique activity for state government and that policies and procedures appropriate for the performance of other governmental functions are not necessarily appropriate for the operation of a lottery.

(3) That the lottery games be operated as a self-supporting revenue raising operation.

(4) That the commission be accountable to the general assembly and the people of Indiana through a system of audits and reports and by complying with financial disclosure, open meetings, and public record laws.

(5) That the commission ensure the equitable participation of ~~racial~~ minorities **and women** in all phases of the lottery, including instant game and on-line retailers and vendors. **The commission shall establish annual goals:**

(A) for the use of minority and women's business enterprises (as defined in IC 4-13-16.5-1 and IC 4-13-16.5-1.3) in construction, professional services, other services, and supplies; and

(B) derived from a statistical analysis of utilization study of lottery contracts that are required to be updated every five (5) years.

The commission shall, in cooperation with the Indiana department of administration, adopt rules under IC 4-22-2 to ensure that the goals set under this subdivision are met.

(6) That lottery game advertising and promotion shall be consistent with the dignity and integrity of the state.

SECTION 16. IC 4-33-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 2. As used in this chapter, "minority" means a ~~person who is one (1) of the following:~~

~~(1) Black;~~

~~(2) Hispanic;~~

~~(3) Asian American;~~

~~(4) Native American or Alaskan native;~~

member of a minority group as defined in IC 4-13-16.5-1.

SECTION 17. IC 4-33-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 3. As used in this chapter, "minority business enterprise" ~~means a business that is one (1) of the following:~~

~~(1) A sole proprietorship owned and controlled by a minority;~~

~~(2) A partnership or joint venture owned and controlled by minorities;~~

~~(A) in which at least fifty-one percent (51%) of the ownership interest is held by at least one (1) minority; and~~

~~(B) the management and daily business operations of which are~~

controlled by at least one (1) of the minorities who own the business:

(3) A corporation or other entity:

(A) whose management and daily business operations are controlled by at least one (1) of the minorities who own the business; and

(B) that is at least fifty-one percent (51%) owned by at least one (1) minority; or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) minority.

has the meaning set forth in IC 4-13-16.5-1.

SECTION 18. IC 4-33-14-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. As used in this chapter, "women's business enterprise" means a business that is one (1) of the following:

(1) A sole proprietorship owned and controlled by a woman:

(2) A partnership or joint venture owned and controlled by women in which:

(A) at least fifty-one percent (51%) of the ownership is held by women; and

(B) the management and daily business operations of which are controlled by at least one (1) of the women who own the business:

(3) A corporation or other entity:

(A) whose management and daily business operations are controlled by at least one (1) of the women who own the business; and

(B) that is at least fifty-one percent (51%) owned by women; or if stock is issued, at least fifty-one percent (51%) of the stock is owned by at least one (1) of the women:

has the meaning set forth in IC 4-13-16.5-1.3.

SECTION 19. IC 4-33-14-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) As used in this section, "goods and services" does not include the following:

(1) Utilities and taxes.

(2) Financing costs, mortgages, loans, or other debt.

(3) Medical insurance.

(4) Fees and payments to a parent or an affiliated company of the person holding an owner's license, other than fees and payments for goods and services supplied by nonaffiliated persons through an affiliated company for the use or benefit of the person holding the owner's license.

(5) Rents paid for real property or payments constituting the price of an interest in real property as a result of a real estate transaction.

(b) Notwithstanding any law or rule to the contrary, **the commission shall establish annual goals for** a person issued an owner's license: **shall establish goals of expending at least:**

(1) ten percent (10%) of the dollar value of the licensee's contracts for goods and services with minority business enterprises; and

(2) five percent (5%) of the dollar value of the licensee's contracts for goods and services with women's business enterprises:

(1) for the use of minority and women's business enterprises;

1 **and**

2 **(2) derived from a statistical analysis of utilization study of**
 3 **licensee contracts for goods and services that are required to**
 4 **be updated every five (5) years.**

5 A person holding an owner's license shall submit annually to the
 6 commission a report that includes the total dollar value of contracts
 7 awarded for goods or services and the percentage awarded to minority
 8 and women's business enterprises.

9 (c) A person holding an owner's license shall make a good faith effort
 10 to meet the requirements of this section and shall annually demonstrate
 11 to the commission that an effort was made to meet the requirements.

12 (d) A person holding an owner's license may fulfill not more than
 13 seventy percent (70%) of an obligation under this chapter by requiring
 14 a vendor to set aside a part of a contract for minority or women's
 15 business enterprises. Upon request, the licensee shall provide the
 16 commission with proof of the amount of the set aside."

17 Delete pages 6 through 11.

18 Page 12, delete lines 1 through 8.

19 Page 19, delete lines 14 through 42.

20 Delete pages 20 through 23.

21 Page 24, delete lines 1 through 12.

22 Page 25, line 8, after "IC 6-3.5-1.1-2" insert ", AS AMENDED BY
 23 HEA 1710-2001, SECTION 1,".

24 Page 25, line 15, after "2.5" insert ", 2.7,".

25 Page 36, line 5, after "IC 6-3.5-7-5" insert ", AS AMENDED BY
 26 HEA 1710-2001, SECTION 6,".

27 Page 36, line 33, after "(h)" delete "or".

28 Page 36, line 33, after "(i)," reset in roman "or (j),".

29 Page 36, line 37, delete "or (j)".

30 Page 37, line 16, delete "Except as provided in".

31 Page 37, line 17, delete "subsection (j), in" and insert "In".

32 Page 37, line 30, delete "except as provided in subsection (j),".

33 Page 37, line 37, delete "except".

34 Page 37, line 38, delete "as provided in subsection (j),".

35 Page 37, delete line 42, begin a new paragraph and insert:

36 "(j) For a county having a population of more than sixty-eight
 37 thousand (68,000) but less than seventy-three thousand (73,000), the
 38 county economic development income tax rate plus the county adjusted
 39 gross income tax rate that are in effect on January 1 of a year may not
 40 exceed one and five-tenths percent (1.5%)."

41 Page 38, delete lines 1 through 22.

42 Page 38, line 24, delete "Except as".

43 Page 38, line 25, delete "provided in section 5(j) of this chapter, the"
 44 and insert "The".

45 Page 38, line 29, delete "Except as provided in section 5(j) of this
 46 chapter, the" and insert "The".

47 Page 39, delete lines 18 through 42.

48 Delete pages 40 through 44.

49 Page 45, delete lines 1 through 28.

50 Page 55, line 2, reset in roman "three".

51 Page 55, line 3, delete "five".

- 1 Page 55, line 3, reset in roman "(3%)".
- 2 Page 55, line 3, delete "(5%)".
- 3 Page 80, delete lines 35 through 42.
- 4 Delete pages 81 through 82.
- 5 Page 83, delete lines 1 through 38, begin a new paragraph and insert:
- 6 "SECTION 103. IC 4-20.5-3-3 IS REPEALED [EFFECTIVE JULY
- 7 1, 2001].
- 8 SECTION 104. IC 6-3.1-23.8, AS ADDED BY HEA 1001-2001, IS
- 9 REPEALED [EFFECTIVE UPON PASSAGE].
- 10 SECTION 105. IC 6-3.1-23.9 IS ADDED TO THE INDIANA CODE
- 11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 12 JANUARY 1, 2002]:
- 13 **Chapter 23.9. Credit for Property Taxes Paid on Business**
- 14 **Personal Property**
- 15 **Sec. 1. As used in this chapter, "assessed value" means the**
- 16 **assessed value determined under IC 6-1.1-3.**
- 17 **Sec. 1.5. As used in this chapter, "business personal property"**
- 18 **means tangible property (other than real property) that is being:**
- 19 **(1) held for sale in the ordinary course of a trade or business;**
- 20 **or**
- 21 **(2) held, used, or consumed in connection with the production**
- 22 **of income.**
- 23 **Sec. 2. As used in this chapter, "net ad valorem property taxes"**
- 24 **means the amount of property taxes paid by a taxpayer for a**
- 25 **particular calendar year after the application of all property tax**
- 26 **deductions and property tax credits.**
- 27 **Sec. 3. As used in this chapter, "pass through entity" means:**
- 28 **(1) a corporation that is exempt from the adjusted gross**
- 29 **income tax under IC 6-3-2-2.8(2);**
- 30 **(2) a partnership;**
- 31 **(3) a trust;**
- 32 **(4) a limited liability company; or**
- 33 **(5) a limited liability partnership.**
- 34 **Sec. 4. As used in this chapter, "state tax liability" means a**
- 35 **taxpayer's total tax liability that is incurred under:**
- 36 **(1) IC 6-2.1 (gross income tax);**
- 37 **(2) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);**
- 38 **(3) IC 6-3-8 (supplemental net income tax);**
- 39 **(4) IC 6-5.5 (financial institutions tax); and**
- 40 **(5) IC 27-1-18-2 (insurance premiums tax);**
- 41 **as computed after the application of the credits that under**
- 42 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
- 43 **chapter.**
- 44 **Sec. 5. As used in this chapter, "taxpayer" means an individual**
- 45 **or entity that has state tax liability.**
- 46 **Sec. 6. (a) Except as provided in this chapter, a taxpayer is**
- 47 **entitled to a credit against the taxpayer's state tax liability for a**
- 48 **taxable year for the net ad valorem property taxes paid by the**
- 49 **taxpayer in the taxable year on business personal property with an**
- 50 **assessed value equal to the lesser of:**
- 51 **(1) the assessed value of the person's business personal**

property; or

(2) an assessed value of thirty-seven thousand five hundred dollars (\$37,500).

A taxpayer is entitled to only one (1) credit under this chapter for each county for each taxable year .

(b) An affiliated group that files a consolidated return under IC 6-2.1-5-5 is entitled to only one (1) credit under this chapter for each county for each taxable year on that consolidated return. A taxpayer that is a partnership, joint venture, or pool is entitled to only one (1) credit under this chapter for each county for each taxable year, regardless of the number of partners or participants in the organization.

(c) A utility company is not entitled to claim the credit under this chapter.

Sec. 7. If the amount of the credit determined under section 6 of this chapter for a taxpayer in a taxable year exceeds the taxpayer's state tax liability for that taxable year, the taxpayer may carry the excess over to the following taxable years. The amount of the credit carryover from a taxable year shall be reduced to the extent that the carryover is used by the taxpayer to obtain a credit under this chapter for any subsequent taxable year. A taxpayer is not entitled to a carryback.

Sec. 8. If a pass through entity does not have state income tax liability against which the tax credit may be applied, a shareholder or partner of the pass through entity is entitled to a tax credit equal to:

(1) the tax credit determined for the pass through entity for the taxable year; multiplied by

(2) the percentage of the pass through entity's distributive income to which the shareholder or partner is entitled.

Sec. 9. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of payment of an ad valorem property tax and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

SECTION 106. [EFFECTIVE JANUARY 1, 2002] IC 6-3.1-23.9, as added by this act, applies only to taxable years that begin after December 31, 2001."

Page 84, delete lines 6 through 42.

Page 85, delete lines 1 through 31.

Renumber all SECTIONS consecutively.

(Reference is to EHB 1480 as printed April 6, 2001.)

Conference Committee Report
on
Engrossed House Bill 1480

Signed by:

Representative Bauer
Chairperson

Senator Borst

Representative Espich

Senator Simpson

House Conferees

Senate Conferees